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COMMONWEALTH OF VIRGINIA  
DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL  
REGULATION

IN RE: JOINT RESOLUTION 686

HEARD BEFORE: THOMAS K. PERRY

FIRST FLOOR, CITY COUNSEL CHAMBERS  
  
CHESAPEAKE CITY HALL  
  
306 CEDAR ROAD  
  
CHESAPEAKE, VIRGINIA

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2  
3 INGE SNEAD & ASSOCIATES, LTD.  
4 Registered Professional Reporters  
5 4444 Arrowhead Road  
6 Richmond, Virginia 23235  
7 TEL. (804) 272-7054 FAX (804) 272-6006  
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PRESIDING: THOMAS K. PERRY  
PROPERTY REGISTRATION ADMINISTRATOR  
Department of Profesional and  
Occupational Regulation

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(The public hearing commenced at 6:58 p.m.)

MR. PERRY: Good evening ladies and gentlemen and thank you for coming. Before we begin I need to tell you that the microphone system is not working, so I would ask that everyone that has signed up to speak, please speak loudly so that the Court Reporter and myself can hear you.

My name is Thomas Perry, the Property Registration Administrator for the Virginia Real Estate Board. This is a public hearing held at the 1st Floor Council Chambers located at 306 Cedar Road in Chesapeake, Virginia.

This hearing is being held to receive public comment to study the adequacy of training of, and the disclosure of financial information to consumers by financially compensated professional managers of condominium associations, property owners' associations and other similar common interest communities.

House Joint Resolution 686 from the 2005

1 Session of the Virginia General Assembly requested  
2 the Virginia Real Estate Board to conduct this study.

3

4

5 In conducting this study, the Board will  
6 analyze the adequacy of the training of financially  
7 compensated professional association managers in fair  
8 housing compliance, receivership, account management,  
9 real estate law generally and common interest  
10 communities and other matters as they may arise.

11 The staff of the Department of Professional  
12 and Occupational Regulation will prepare a report for  
13 the Board's consideration summarizing all public  
14 comments received. The Board will submit to the  
15 Governor and the General Assembly an executive  
16 summary and a report of its findings and  
17 recommendations for consideration during the 2006  
18 Session of the General Assembly.

19 We do have some rules for the hearing  
20 tonight. Comments will be received from any member  
21 of the public and initial comments will be limited to  
22 a maximum of five minutes, depending on the number of  
23 individuals who wish to speak.

24 We do have a time frame tonight from 7 to  
25 10, and unless we have a flood of people coming in

1 tonight, if you want to go a little over five  
2 minutes, that's fine. If you have not signed up and  
3 wish to speak and give testimony today, please do so.

4  
5 Please sign your name on the sign up sheet  
6 at this time. Speakers may ask questions or request  
7 clarifications of statements. However, this is not,  
8 and I repeat not, the proper forum for questions. If  
9 you have a question for the Board, please forward it  
10 in writing to the Board. Any speaker who wishes to  
11 provide a written statement in addition to his oral  
12 testimony, or in lieu of oral testimony, may do so  
13 until July the 29th, 2005.

14 Before I call the first speaker I just  
15 wanted to point out some material that was out front  
16 with the sign up sheets. One was a copy of the Joint  
17 — the House Joint Resolutions 686, which is the  
18 reason for our public comment today.

19 And I have copies of a questionnaire — a  
20 summary — a survey, excuse me. A survey that we  
21 developed and sent about 8,000 of these to the  
22 general public, to members of common interest  
23 community associations and their contacts.

24 I also have a copy of a pamphlet concerning  
25 common interest communities out there if you would

1 like to take a copy of it.

2

3

4

5           Additionally, in case you know of anyone who  
6 did not have a chance to be here tonight to give  
7 public comment — oral comment I should say — we are  
8 holding two more of these sessions.

9           We are holding four around the state. We  
10 held the first one two weeks ago in Roanoke and one  
11 here tonight.

12           A week from tonight, July the 6th, we're  
13 holding one in Fairfax County. And the last one will  
14 be held July the 13th in our offices in Richmond.  
15 The first person that we have that wanted to give  
16 public comment is Sterling Keyes.

17

18           MR. KEYES: From right here?

19

20           MR. PERRY: It doesn't work so if you want  
21 to turn around so that you can address us and them  
22 too. And just speak as loudly as you can so we can  
23 all hear you.

24

25           MR. KEYES: My name is Sterling S. Keyes. I

1 live at 732 Whisper Walk here in Chesapeake.

2 I have been a resident of Cedar Crossing  
3 Condominium Association since 1997.

4

5 In that time, we have had no difficulties  
6 with the two association managers who have been  
7 assigned.

8 I think that it would be more appropriate  
9 for the House to address the issue of the lack of  
10 preparation of members of the boards in the commonly  
11 held subdivisions in that there is no requirement for  
12 you to participate.

13 If you bring in a certified — let's use  
14 that language now in this discussion — a certified  
15 manager, what is to preclude the five or seven or  
16 nine or however members of the board getting rid of  
17 that person until such time as they find someone whom  
18 they believe they can do whatever they please  
19 regarding those items that were addressed or  
20 identified by the staff of the Real Estate Board,  
21 namely having meetings, selection of officers,  
22 management contracts, management company handling of  
23 funds, communication with the Real Estate Board or  
24 what have you.

25 My argument is that you have five lay people



1     — let me use that description of the members of the  
2     board.

3

4

5             Five lay people with a certified officer who  
6     is trying to tell them what is legal or moral or  
7     whatever else, and they decide we don't care to do  
8     that.

9             What is there now that says I may not serve,  
10    if I'm elected, unless I've attended or participated  
11    in sessions that would deal with what issues I was  
12    able to raise at meetings and when the meetings were  
13    to be held. When I was not permitted to talk about  
14    people's personal business when they didn't pay their  
15    assessments, for example.

16            So my notion is that House 686 addresses an  
17    issue which seems to me should be precluded by  
18    addressing the subject of the quality of the people  
19    who serve on the various boards, or the requirement  
20    that they have some understanding of when their  
21    meetings may occur and whatever.

22            And if you proceed to require certification  
23    of managers, what's to preclude that we just get rid  
24    of that certified individual until such time as we  
25    try to do what it is that we want to do about running

1 a meeting or whatever else comes before us.

2

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5           So my thought is that in my experience, and  
6 I've had — I was the first president following the  
7 changeover Declarant Board, that we needed to have  
8 some preparation as members of the board. And I  
9 offer these comments because I think in my  
10 experience, they have borne to be the — more likely  
11 to be the way to address what seems to be the  
12 inadequacies.

13           Because if we look at, and I think of things  
14 in terms of what is the idea or the plan. What is  
15 the process, the way in which it's done, and who are  
16 the people involved. If we talk about the people  
17 involved, it's the residents of the community. Some  
18 work, whatever, retired, they run the whole gamut, as  
19 well as renters who may be in there.

20           Then we take the Board members when may get  
21 elected. The association manager. And then we talk  
22 about another critical link which is not addressed at  
23 all, the real estate sales persons who come in, sell  
24 properties and do not inform people, in some  
25 instances — too many — that these are condominiums

1 that you have purchased.

2 And there are certain rules and regulations  
3 and requirements. And they have never had or seen  
4 the documents.

5 Or if they've gotten them, they don't know  
6 what they are or they haven't read them. So it would  
7 seem to me that the more significant piece, if there  
8 is such, of the broken part of this, is that which  
9 would require a board member — if not prior to  
10 election then subsequent to election — being  
11 required to attend sessions. And I would say spend  
12 the money on conducting those sessions rather than on  
13 requiring a manager to be certified.

14 Spend them on those sessions to provide and  
15 require the board members go to the classes to know  
16 about meetings, officers, management contracts,  
17 funds, communication and other legal and required  
18 things as the legislature may take. I'm prepared to  
19 answer any questions if there are.

20

21 MR. PERRY: Thank you, Mr. Keyes. I should  
22 have said before Mr. Keyes spoke, when you come up  
23 here to speak, if you could spell name for our  
24 Reporter tonight so she can get the exact spelling of  
25 your name. Mr. Keyes, I did give her the spelling of

1 your name.

2

3 MR. KEYES: Some say Kies, but it's — I  
4 prefer to say Keyes, 'K' with eyes.

5 MR. PERRY: I like that. The next speaker  
6 is Anita Hager. And I do appreciate, Mr. Keyes, you  
7 speaking loudly. That was very appreciative.

8

9 MS. HAGER: I'm Anita Hager, A-N-I-T-A,  
10 H-A-G-E-R. I'm a director with United Property  
11 Associates, better known in this area as UPA.

12 UPA has two decades of experience in  
13 commonly owned and association management in the  
14 Hampton Roads area, and is one of the largest common  
15 interest community managers in Virginia.

16 Among the services we provide for our  
17 associations are complete and detailed financial  
18 statements, development of professional materials  
19 such as handbooks and newsletters, detailed property  
20 inspections and knowledge of the property, and  
21 education of the Board members and residents.

22 UPA is a member of CAI, the Community  
23 Association Institute and the company is certified as  
24 an accredited association management company, which  
25 is CAI's highest designation. I personally hold

1 three CAI designations myself, CMCA, AMS and PCAM.

2

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4

5           It's my understanding that the General  
6 Assembly has directed the Virginia Real Estate Board  
7 to review the Old Dominion University study on common  
8 interest communities and to make its own review of  
9 the issues to analyze the training and competence of  
10 professional association managers in Virginia.

11           First of all, let me assure you — the Board  
12 — let me assure the Board that the training and  
13 competence of the managers at UPA are second to none.

14           We take great pride in the experience and  
15 training of our personnel. Your materials ask for  
16 the professional association manager to take  
17 mandatory training and be required to be licensed in  
18 Virginia. I am not familiar with serious problems  
19 today among communities that have engaged a  
20 professional association management company. In  
21 fact, in reviewing the ODU study, I did not find any  
22 concerns about the competency of professional  
23 association managers in the study.

24           Rather, I found much discussion on the  
25 governance problems that arise from the homeowners on

1 the association board who have to deal with complex  
2 issues without professional guidance or advice.

3  
4  
5 The laws governing associations seem to get  
6 more complex each year and lay board members — with  
7 neither training or background in association  
8 management and government — can quickly be  
9 overwhelmed without professional help.

10 United Property Associates trains its  
11 personnel rigorously and meets the highest standards  
12 of CAI, the national organization certifying  
13 community managers.

14 If the Real Estate Board were to impose  
15 mandatory training and restrictive licensing  
16 requirements on professional association managers,  
17 the rules are unlikely to effect UPA or any of the  
18 larger management companies.

19 But they are likely to create a barrier to  
20 new people entering into the field. If Virginia  
21 prevents the growth of the professional association  
22 management industry, firms like UPA will benefit from  
23 the lack of competition. But Virginia homeowners who  
24 live in common interest communities will find it  
25 increasingly difficult to hire professional managers

1 and the governance problems which Old Dominion  
2 University identified in its study will get much  
3 worse, not better. Thank you.

4

5 MR. PERRY: Thank you. The next speaker is  
6 Deborah Casey.

7

8 MS. CASEY: My name is Deborah Casey, that's  
9 D-E-B-O-R-A-H, Casey is C-A-S-E-Y.

10

11 MR. PERRY: A little louder.

12

13 MS. CASEY: A little louder, Okay. Mr.  
14 Keyes got a great volume out here. I am an attorney.  
15 I am a partner with the law firm of Vandeventer  
16 Black. And the great majority of my practice is  
17 representing community associations and dealing in  
18 community association law matters.

19 I am also a member of CAI which, as you  
20 know, is the Community Association Institute. I am a  
21 past president of the local chapter and I serve  
22 currently on the Virginia Legislative Action  
23 Committee of CAI which is interested in the laws  
24 concerning and effecting community associations.

25 And I am here on behalf tonight — the

1 thoughts that I will express are those of my own and  
2 also some of the other lawyers in the area who could  
3 not be here tonight.

4

5           Some are here and collectively represent,  
6 probably, the majority of professionally — or  
7 community associations that have retained counsel.  
8 And I'm here to make only a few points, but there are  
9 many. And I come bearing gifts if you will let me  
10 provide those to you as well.

11           There are a few points that I would like to  
12 make tonight with my CAI hat on. It is a collective  
13 feeling that part of the solution or the resolution  
14 of the issues concerning the study is education.  
15 Education is the key. As a member of CAI and as an  
16 attorney, I have participated through other attorneys  
17 in helping to educate homeowners, managers and Board  
18 members in their relative rights and responsibilities  
19 under the laws of the State of Virginia and national  
20 laws that are effecting community associations.

21           CAI is the only organization dedicated to —  
22 and it is — part of its mission statement is the  
23 education of all the constituent members of CAI which  
24 includes the Board members, the homeowners, the  
25 managers and the service professionals who serve the



1 industry.

2 It is the only known organization that is  
3 dedicated to community associations.

4

5 And it is the organization that is  
6 responsible for designations for professional  
7 managers, some of which you've heard about from  
8 Ms. Hager.

9 What I bring with me tonight is an  
10 indication of the vast resources, programs and  
11 educational opportunities that CAI both nationally  
12 and on the local levels provide.

13 And I would like to hand that up to you to  
14 take home —

15

16 MR. PERRY: Sure.

17

18 MS. CASEY: To peruse at your convenience.  
19 Would you share those materials with anyone who might  
20 call your office or provide the contact information  
21 because it is a resource for education. And one of  
22 the main points tonight is that education for all is  
23 critical.

24 The board members, as you know, for any  
25 association consist of volunteers. The board members

1 change frequently.

2

3

4

5           And it has been our experience and my  
6 experience, that it is really the exception rather  
7 than the rule, that any failure to following the  
8 governing documents of statutory law is deliberate.  
9 Many board members do accept those positions without  
10 any training or education.

11           And again, CAI has a plethora of resources  
12 available and plenty of opportunities available to  
13 anyone including online at their web site.  
14 Similarly, we're not aware of any significant  
15 transgressions or breaches of responsibilities by  
16 managers trained by their companies and CAI.

17           Education for all persons involved and the  
18 management, community association education really is  
19 the key.

20           The law has become increasingly complex in  
21 this area and the enactment of more laws on such  
22 issues such as elections, books and records,  
23 executive sessions and meetings that discourage  
24 rather than encourage participation by board members  
25 and homeowners does not seem to be the answer.

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5           There certainly are more pressing issues  
6 facing homeowners around the Commonwealth including  
7 poor construction and the lack of any statutory or  
8 legal protection against construction defects and the  
9 complexity of insurance products available to  
10 homeowners and for associations. And there are other  
11 issues that merit attention as well. Thank you for  
12 your time.

13  
14           MR. PERRY: Thank you, Ms. Casey. The next  
15 speaker is Robin Cox.

16  
17           MS. COX: My name is spelled R-O-B-I-N,  
18 C-O-X. My name is Robin Cox and I live in Glenwood  
19 Community Association. I've lived there for 16 years  
20 and have served on numerous committees. Most of us  
21 who live in a community expect it to run smoothly as  
22 if we were on automatic pilot.

23           We don't like mistakes on our assessment  
24 exhibiting bills that we paid last month, or finding  
25 notices on our doors about barking dogs when we have

1 cats. That gets us riled up and talking to the  
2 board. But if things are going okay, most of us are  
3 happy with the association and they don't need our  
4 attention.

5           If you are here tonight to look into an  
6 association, then there are problems. If an  
7 association doesn't have a problem, that's the one  
8 you need to look at. They are usually the ones with  
9 a professional manager and a professional company.

10           Our neighbors who serve on the Boards are  
11 volunteers. They work 9 to 5 like the rest of us and  
12 they put in a lot of hours. Don't get me wrong.  
13 It's a difficult job, they don't get paid, they get  
14 yelled at by their neighbors and — but the glue to  
15 an association is the professional manager.

16           The manager is the person with the 24-hour  
17 emergency line when the sewer backs up, the one that  
18 keeps the accounts straight and the one who  
19 investigates the neighbor's complaints, who inspects  
20 the units for resale and who gets the grass mowed.  
21 I've found that most of our managers have known their  
22 job pretty well.

23           There are differences in each one. One  
24 might be stressing the common areas to keep it clean.  
25 One might be a book person who keeps the accounts

1 straight. But by and large, they all do a great job.  
2 Those who have had it for a while and have gotten  
3 good experience, they are really great.

4  
5           One of my problems is how much is this going  
6 to cost my association to get these managers  
7 licensed. If managers have to go through a licensing  
8 process, what is our management fee going to raise  
9 to? The management company is either going to raise  
10 the fees to cover this training or the association is  
11 going to have to pay for the manager to get this  
12 training.

13           Our manager has been a PCAM holder for 15  
14 years. She has had extensive training with CAI. Is  
15 she going to have to go through another one or will  
16 she be grandfathered? If she has to go through  
17 licensing, my association will have to pay for it in  
18 either a higher salary or with the training.

19           The association I live in has 1200 homes, so  
20 it wouldn't be that much to us. But what about the  
21 association that has 20 homes or 30 homes. What is  
22 it going to cost them to take a manager who has gone  
23 through all the CAI training, go to some of the  
24 classes and their CA Day, which is very educational.  
25 What is it going to cost them to keep that manager on

1 at a small community?

2           The community association manager has a very  
3 limited income unlike the real estate salesman.

4

5           The leasing agent doesn't necessarily make a  
6 good community manager. And a guy who can sell my  
7 uncle's garage may not know how to calculate a  
8 replacement reserve study.

9           That is for a real estate — that is not for  
10 the Real Estate Board to decide. They should not  
11 take over community association management unless it  
12 has got a lot more experience under its belt.  
13 Communities now have CAI for learning the ropes of  
14 management. Why fix what's not broken. Thank you.

15

16           MR. PERRY: Thank you, Ms. Cox. Our next  
17 speaker is O. A. G. Parrish?

18

19           MR. PARRISH: It's J. A. G. Parrish. Three  
20 initials, P-A-R-R-I-S-H.

21

22           MR. PERRY: Thank you.

23

24           MR. PARRISH: I am a condominium owner in  
25 Chesapeake.

1           I am also involved heavily with the  
2 community association, which is general. I have  
3 served as the transition liaison for 10 additional  
4 years, eight of which were as president.

5           It's a 51-unit condominium so it's one that  
6 the president or the management board has very close  
7 contact with what goes on. A manager's skill is  
8 essential. A good manager is crucially essential for  
9 such times later on that you don't have the expertise  
10 inhouse in terms of your over show.

11           I have been also involved on the national  
12 level with CAI as well as the local CAI and who they  
13 are. I have served as the national director and  
14 chairman of their homeowners' association. I have  
15 also served seven years on the Real Estate Board on  
16 the committee with relationship with keeping up with  
17 trends.

18           My point is basically two things I would  
19 like to leave with you. I am in favor of managing —  
20 of the licensing of managers. I think the licensing  
21 should come right up front before they apply for a  
22 job in the first place.

23           I think they should have a basic  
24 understanding because there is such tremendous  
25 difference between the handling of fee simple

1 property and common interest property. They're just  
2 not the same thing.

3

4

5           If they understand the basic principles —  
6 the potential managers — understand the basic  
7 principles of ownership and how it differs and the  
8 rights and responsibilities thereof, I believe it  
9 will be of assistance to the homeowner.

10           As he becomes the manager of a big company,  
11 they will start out looking. If he starts his own  
12 company, it will be even more important that he have  
13 some education and the license. In my opinion,  
14 there's no need for that excessively extensive thing  
15 to try to acquire a license through the Real Estate  
16 Board.

17           One thing I would emphasize, a real estate  
18 license should never be a license to work as a  
19 property manager. They should not be licensed as  
20 real estate agents. They should be licensed  
21 separately.

22           Generally speaking, communities need well-  
23 trained and well understanding managers to help them.

24           As the first speaker spoke very adequately,  
25 the big problem is where you don't have well-



1 qualified board members. And that can be a serious  
2 problem. The small groups have more problems than  
3 the larger groups do.

4

5           They need a manager who will know what they  
6 can or can not do, be aware and be of help to them.  
7 Every manager has a right, if the employee wants to  
8 do so — the employer pays the salary, we know that.

9           The association helps to pay the salary, but  
10 the actual reporting to and the hiring and firing  
11 comes from the board of that association. Now, we  
12 understand that. But if the manager — the manager  
13 does have a right to renege on anything that the  
14 board does.

15           It has a right to put in his claim if it  
16 does not agree with his action, and still be able to  
17 do his job. But he must know what his abilities are.  
18 So I definitely am in favor of the licensing. I  
19 think if it can be done on a reasonable basis, it  
20 should be done by anybody applying to work as a  
21 manager with any company, certainly, as far as that  
22 goes.

23           The other thing I would like to leave with  
24 you — and this is something that I think is crucial.  
25 The gentleman also mentioned real estate agents.

1           One of the biggest, single problems we have  
2 in our association in particular, is real estate  
3 agents.

4  
5           They do not understand the difference  
6 between the fee simple property and the common  
7 interest communities. They must know that in order  
8 to do a proper job for the buyer and seller and for  
9 the association.

10           Perfect example. I live in a condominium  
11 where there are attached single-family homes. The  
12 condominium buyer really owns the inside of the  
13 building, the association owns the outside and the  
14 crawl space under the bottom floor. That means when  
15 you get something like termites, it is directly the  
16 responsibility of the association, not the individual  
17 homeowner.

18           The real estate agent should end up with a  
19 contract that says the seller plus the association to  
20 make it easily understood. It's not up to the  
21 seller. The condominium association most probably,  
22 and should obviously, have a contract with some  
23 termite company to do the necessary work on a regular  
24 basis.

25           Therefore, you have a two-party situation.

1 In other words, give acknowledgement to the party who  
2 is not a part of that contract. And they often do  
3 sales which cause a lot of contention.

4  
5 They very often hold up closings because  
6 they don't understand. My suggestion is that the  
7 Board should consider licensing a person who wants to  
8 sell common interest properties with an additional  
9 amendment or tack-on to this real estate license,  
10 saying that he is qualified in common interest  
11 property sales. Thank you.

12  
13 MR. PERRY: Thank you, Mr. Parrish. The  
14 next individual is Chandler Scarborough.

15  
16 MR. SCARBOROUGH: Good evening. Are you  
17 able to hear me okay?

18  
19 MR. PERRY: Yes.

20  
21 MR. SCARBOROUGH: Okay. My first name is  
22 Chandler, C-H-A-N-D-L-E-R. My last name is  
23 Scarborough, S-C-A-R-B-O-R-O-U-G-H. I'm a licensed  
24 real estate broker. I'm also the president of my  
25 68-unit condo association and a 4800-unit homeowners'

1 association. My property happens to be within two  
2 associations. And I'm a member of the community  
3 association there, too.

4  
5 One of the things that my experience in  
6 dealing with common interest communities has taught  
7 me is that each neighborhood is unique. And the  
8 needs of each community are different. With my small  
9 condominium association, one of the big challenges  
10 that we have is finding qualified professional  
11 managers for the association. Because of the size,  
12 it's often difficult to find management companies  
13 that are willing to do that.

14 The other problem that we find frequently is  
15 either with rental property or with sales. The  
16 landlords or the agent who's involved is not  
17 necessarily relaying the information about the  
18 community to either the tenant or the buyer. And so  
19 there are sometime communication issues there. In my  
20 role with CAI, I've spoken to Cynthia Schriver, who's  
21 the community association liaison for the Real Estate  
22 Board.

23 One of the big things that I gathered from  
24 that conversation is that the problems frequently  
25 deal with communication, access to records,

1 availability of executive sessions or use of  
2 executive sessions, things like that. And I think  
3 one of the biggest needs for associations is to have  
4 a means to improve communications.

5           To have a way to bring the owners and the  
6 board sometimes together. The other situation is the  
7 education and the experience level, both of the board  
8 members as well as the education level of homeowners.  
9 A lot of times homeowners don't understand, as other  
10 folks this evening have said, what their  
11 responsibilities are as well as what their rights are  
12 within the association.

13           And that leads frequently to hard feelings,  
14 misunderstandings. You also sometimes, within a  
15 community, have folks who just want to complain.

16           And those folks are a little bit more  
17 difficult to deal with. Whenever you have an  
18 association with 4800 people, it's difficult to be  
19 able to get everybody on the same page with things  
20 all of the time. But being able to have ways,  
21 because we all have to live together, live under the  
22 same set of documents and live as neighbors.

23           Finding ways to foster a sense of community  
24 and to open dialogs up are going to be important.  
25 One of the tools for that, hopefully, is going to be

1 education.

2

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5 Having more resources to better train our

6 board members as to what their goals are.

7 Encouraging folks to get more involved in their

8 community so that we have qualified board members to

9 choose from.

10 And to educate the public better on what

11 their roles are going to be as a homeowner in the

12 community.

13 One of the things that I know that CAI is

14 working on is a program to help foster communication

15 between both parties and to bring folks together on

16 that a little bit more. But I think that education

17 has got to be the key. And that also goes to the

18 real estate community.

19 I find frequently from folks that buy homes

20 from me don't really understand what's involved with

21 that and don't really read the disclosure package as

22 thoroughly as they should. I dare guess that a lot

23 of people who buy may not read the package at all.

24 When you get a six-inch document like that,

25 most people are intimidated and they sort of tune it

1 out. And they don't really get the information. And  
2 I don't know how we're going to be able to solve  
3 that. But being able to improve that, I think, has  
4 got to be a key. Thank you for your time.

5 MR. PERRY: Thank you, Mr. Scarborough. The  
6 next speaker is Rebecca Woodring.

7  
8 MS. WOODRING: Hi. My name is Rebecca  
9 Woodring, it's R-E-B-E-C-C-A, W-O-O-D-R-I-N-G. I am  
10 the chapter executive director for the Southeast  
11 Virginia Chapter of Community Associations Institute.  
12 I'm here to provide a resource for you.

13 To try to give you as much information as I  
14 can about the types of educational programs we  
15 provide that National provides as well, and when  
16 working together constantly throughout the country to  
17 make that happen.

18 We have certain education programs that  
19 Ms. Deborah Casey gave you a lot of information to  
20 take back with you to review. And I just wanted to  
21 be able to be a resource for you. So I just wanted  
22 to give you a couple of business cards that you can  
23 pass along to give information.

24  
25 MR. PERRY: Sure.

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MS. WOODRING: Thank you.

MR. PERRY: And the last speaker that I have on this particular list is Michael Inman.

MR. INMAN: My name is Michael Inman, I-N-M-A-N, first name M-I-C-H-A-E-L.

I'm a local practicing attorney and a member of the Community Associations Institute, Southeastern Virginia Chapter. I've been practicing law in the area for about 30 years. For the last 18 years I've represented condominium associations and homeowners' associations in Southeastern Virginia.

Between myself and my partners, we represent close to 200 associations. We've come in contact with many, many managers in the course of that practice. And in the context of our local chapter, we have many opportunities for education of managers.

And in the capacities that I've served — I've served on the board, I've served on several committees in the chapter — I've observed, over the years, managers participating in the educational opportunities offered by CAI.



1           I decided to try to find out how many  
2 managers we have in the area, at least, from the best  
3 records that we can gather from our chapter  
4 information.

5           And it seems that we have 118 managers  
6 working in management companies. We have 10  
7 individual managers that would be, for instance,  
8 onsite managers at high rise condominiums and such.

9           And there are only 19, of the people that  
10 we're aware of, that are not members of CAI but we do  
11 send them offerings and opportunities to participate  
12 in our educational programs. So, the large majority  
13 of managers in this area are affiliated with  
14 companies that are members of CAI.

15           As you've heard from previous speakers, CAI  
16 offers an array of educational opportunities for  
17 managers and for board members and for owners.  
18 Anybody involved in community associations can get  
19 any amount of education they want from CAI. We have  
20 year-long offerings and this goes on all over the  
21 state.

22           Not only in this chapter, but the Washington  
23 Metropolitan Chapter and the Richmond Chapter have  
24 similar offerings. So this is the way the managers  
25 are being educated now.

1  
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5           And there are certifications that Ms. Casey  
6 told you about that companies that employ managers  
7 are anxious for their managers to have these  
8 designations in order to have the basic education  
9 they need. Also the management — the larger  
10 management companies have their inhouse training  
11 programs as well.

12           My experience in the field, so to speak,  
13 dealing with managers is that they are generally  
14 knowledgeable, competent and I receive few complaints  
15 about them. Ones that — the bad situations that I  
16 have seen have generally been individuals, like solo  
17 managers that aren't really part of a company and  
18 that are not part of CAI.

19           I've seen a couple of instances of poor  
20 practices that had been complained about to me by the  
21 board members about those managers and actions that  
22 had been taken. But that is an unusual event in the  
23 18 years that I've been involved in this area of  
24 practice.

25           We certainly believe — those of us that are

1 involved in CAI — we believe in standards. And I  
2 think that's what the state should focus on. There  
3 should be minimum standards perhaps.

4  
5           And certifications that can be obtained from  
6 organizations like CAI. There's no use in recreating  
7 the wheel when we've already got a good organization  
8 that knows the industry and that is providing  
9 educational opportunities, not only for managers but  
10 for board members and homeowners.

11           Another concern expressed by a previous  
12 speaker is what do we do about self-managed  
13 associations. We think that 25% of associations,  
14 approximately out there, are managed solely by their  
15 board of directors. And as the first gentleman spoke  
16 to, that there is a — certainly a need for more  
17 education of board members.

18           CAI offers that, but if they don't know  
19 about us or if they choose not to spend the time or  
20 the money to obtain the education, then we're all at  
21 a loss for that, and especially the folks that live  
22 in the community.

23           The state funds that are taken in for the  
24 registration of communities could best be used to  
25 offer free or low cost educational programs for board

1 members throughout the state. And I think that would  
2 help solve a lot of the issues involved in  
3 association management.

4

5 MR. PERRY: Thank you, Mr. Inman. Is there  
6 anyone else who wishes to speak tonight?

7

8 LADY IN GALLERY: I just want to understand  
9 something. Everyone here is in favor of CAI versus a  
10 real estate service?

11

12 MR. PERRY: Did you want to come up and  
13 speak? And if you don't mind before you leave, if  
14 you could sign the sheet up front so we could have  
15 information on you.

16

17 LADY IN GALLERY: My name is Yvette Fields.

18

19 MS. FIELDS: Y-V-E-T-T-E, F-I-E-L-D-S. And  
20 I am an association board member, relatively new  
21 board member. I live in a new development. This is  
22 my second year. And what I am trying to learn and  
23 understand is everything that there is to be a good  
24 board member. I find it complex, the lack of  
25 assistance from our management group.

1                   Now, I'm sure that they're all  
2 professionals, they're wonderful.

3

4

5                   If they're not required to be licensed or  
6 any educational requirements, then how are the board  
7 members educated to do the job properly. So that  
8 would be — that's one of my concerns. I feel that  
9 they probably should be licensed. We've been through  
10 — this is our second year and we're on our third  
11 manager.

12

13                   And when you live in a community or region  
14 in these United States that is making the requirement  
15 that is — I live in the City of Suffolk — that any  
subdivisions will be associations.

16

17                   If any association's going to have to be  
18 associated, and therefore there's a professional  
19 management company that will oversee that association  
20 or manage it. The expectation is that the management  
21 company would be able to lead those new — brand new  
22 — board members in the right direction and on the  
right path.

23

24                   I've come to learn that quite a bit of the  
25 information and things that we were told last year is  
not correct. So now we're backtracking and

1     correcting it this year. And I find it frustrating.  
2     So from just a person who lives in the community  
3     who's new to associations and being a board member,  
4     they should be licensed.

5             Because then I would — in my mind, the  
6     standard would be higher. The groups of the CAI —  
7     when I first became a board member, on CA Day, I  
8     attended a few of their classes. The courses that  
9     they offered, they were very informative.

10            But somehow, there's a breakdown in  
11   communication somewhere along the line of information  
12   because if you call the contact for required  
13   information and you do not get information back to  
14   you, then it doesn't help that board member to be a  
15   productive person for the community that they  
16   represent.

17            And yes, we're doing it for free but we're  
18   committed to doing a good job. And so when things  
19   seem to fall through the cracks, or for whatever  
20   reason was not correctly done, it makes it a much  
21   harder job to do the same job twice. So my feeling  
22   is yes, they should be.

23

24            MR. PERRY: Thank you, Ms. Fields. And  
25   before you leave tonight, just to remind you, to go

1 sign the sheet.

2

3 MS. FIELDS: I will.

4

5 MR. PERRY: I would appreciate that.

6 Anyone else would like to speak? Well,  
7 thank you for your comments tonight. The record of  
8 the public hearing will be kept open until Friday,  
9 July the 29th, 2005.

10 And written comments will be accepted  
11 through 5:00 p.m. that day. Comments can be received  
12 — must be received in writing, either handwritten or  
13 it can be sent by email to our Agency.

14 Our web site — I mean our email address is  
15 P-R-O-R-E-G, that's for Property Registration, at (@)  
16 D-P-O-R.virginia.gov. This hearing is now closed.

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18 (The public hearing concluded at 7:42 p.m.)

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CERTIFICATE OF COURT REPORTER

I, Debroah D. Carter, hereby certify that I was the Court Reporter at the foregoing public meeting/hearing at 306 Cedar Road, First Floor in Chesapeake, Virginia at 6:58 p.m., on the 29th of June 2005, and that the foregoing transcript is true and accurate of the public meeting/hearing to the best of my ability.

Given under my hand on the 3rd day of July, 2005.

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Debroah D. Carter, CCR



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Virginia Certified Court  
Reporter

My certification expires January 1, 2006.